4:Phillips E-4,5 (1956-1957) 1966
AO7 Central Thai AO7
Bang Chan
Thailand AO1

been religious in nature—getting the assistance of villagers to construct monks' cubicles or repairing the small rest pavilions near the monastery, the "pay" for which is Buddhist merit—or, if secular, infused with sacred attributes, such as when the head monk helped raise funds for the construction of the Bang Chan school by supporting the notion that villagers who gave money to the school would make merit. It is clear, however, that the organizational vigor of the Bang Chan monkhood is mainly a function of the aggressive personality and leadership of Bang Chan's particular abbot, and that with a more retiring, contemplative head monk—a not uncommon or undesirable role for an abbot—the situation would be strikingly different.

In a similar vein, it is difficult to link the incidence of land ownership and tenancy in Bang Chan with any consistent national or regional pattern. At the national level, Thailand is fortunate among predominantly peasant nations in having a comparatively low level of land tenancy, an estimated 80 percent of the cultivated land of the country being owned by the small, independent farmers who work it (National FAO Committee of Thailand 1949). However, within these broad national parameters there is considerable inter- and intra-regional variation. Zimmerman's study in the early 1930's indicated that the number of peasants without land ranged from 14 percent in Southern Thailand, through 27 percent in the North, to 36 percent in the Central Plain. These regional figures seemed to have remained relatively constant through the years in that deYoung (1955) reports a tenancy figure of 27.7 percent for a village in the North which he studied in 1949, and Janlekha (1955) indicates a figure of 37 percent for Bang Chan, in the Central Plain, in 1953.[6] As close as the Bang Chan figure may seem to its regional average, however, it is of little significance when seen against the background of variability that exists within the region as a whole: for example, in villages near the city of Lopburi, only 12 percent of the villagers are landless, but in the Khlong Rangsit area, not far

[6] It should be noted, however, that other indices of economic well-being in Bang Chan have not remained constant. To the extent that his historical materials permit, Janlekha (1955) points out that land holdings have become increasingly smaller, the amount of time newly-married couples must live with one set of parents (in order to accumulate the capital necessary for setting up their own neolocal households) longer, and the price of land higher. Janlekha's data indicate that in the five-year period between 1948 and 1953 alone, the price of agricultural land, as contrasted with considerably more expensive residential land, in and around Bang Chan increased 560 percent!

It is also well to keep in mind Janlekha's observation that, depending upon familial circumstances such as number of children and availability and proximity of labor, a Bang Chan farmer who rents a large plot of land from a benevolent absentee landlord, who is often unfamiliar with Bang Chan crop values, may be considerably better off economically than a farmer who works a small plot of land that is all his own.

arbitrary, were it not for the Buddhist temples, a neighboring government-operated primary school, and a few small stores, all of which provide a center for the community. There the inhabitants paddle their boats for religious observances, their children attend school, and anyone with a few minutes gossips over a cup of coffee. These people, furthermore, speak of themselves when outside the community as coming from Bang Chan, and the temple familiarly called "Wat Bang Chan" helps outsiders to identify the particular area. 361 621

The community's 1400 inhabitants live in one of seven hamlets, each with an officiating headman who may offer some leadership to the neighborhood. Bang Chan has no political unity beyond the informal influence of the head priest at the temple, for administrative units of local government disregard its social and psychological coherence. On one side of the main canal headmen go a rough two miles to attend meetings with the District Officer, while their neighbors across the canal must spend half a day on the canal to reach the district offices which govern them. 161 621 634 624

As the survey results indicate, about 80 per cent of the households receive the major portion of their income from cultivating rice, though many of these men and women turn briefly to other occupations during the slack seasons. The remaining fraction is divided between persons engaged in trade as storekeepers or vendors and those in such service occupations as highway labor or school janitor. 621 243 434 443 464

A little less than half of the population owns the land or a portion of the land it works, the remainder renting from neighbors and landholders living away from Bang Chan. Though land becomes scarcer every year and its subdivision into small plots finer, land problems and landlord problems are not important concerns of the area farmers. Economic factors also grant higher status within the community to land holders than to renters and the landless. So also age and religious piety bring respect. Yet social structure is flexible enough to afford a young renter of good reputation and energy a decent hearing at a meeting, and indeed, he might carry his point in a group of wealthy landholders. Two or three times in past generations young men have moved from thatched houses in Bang Chan to high government positions in Bangkok through fortunate connections that enabled them to attend leading schools, as well as through their own industry. People merely invoke the Buddhist concept of accumulating merit in present and past lives through good deeds when they comment on the rise of such persons, for with sufficient merit all is possible. Thus regularity in the socio-economic order includes a moderate level of probability admitting many exceptions. 423 427 554 621 [555] [771]

178 because four members of her family had just left her to
592 establish families of their own. The son-in-law accepted
621 this invitation and had since taken over the management of
[593] his mother-in-law's large 60-rai rice farm.

Case 10: In 1949, an old woman was living with two boys, one distantly related to her, the other without any
[427] blood relationship. She was operating a small rented rice
[792] farm. Some time in the past she had made a generous offer
[431] of her own house to the temple which was not acted upon by the receiving party. In 1953, the headpriest contemplated an expansion of one of the temple buildings and approached the woman for the gift. The woman complied with the request, had her house dismantled, saving only the kitchen, and sent all the building materials to the temple. Meanwhile, the two boys had left her; one went to live with his mother in
[593] the village, the other went to Bangkok. Later, the woman
[437] joined the household of her younger brother, who lived next door, with the understanding that the brother had free use of her buffalo in exchange for her room and board.

Case 11: In 1949, a woman was living in KYB with her aged mother and her baby born of her separated husband
[586] who was a policeman. Two years later, the woman married a
[537] widower, who lived in the same hamlet, and brought along her mother and son to live with her new husband.

With the exception of Case 6, a lone aged woman who was survived by none after her death, these cases may be grouped according to the nature of acceptance of the families

7: Janlekha X-4,5 (1948-1953)1956 AO7 Central Thai AO7
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593 There was one item of parental gifts which is not
431 shown in Table 8 -- the household equipment. Two of the
415 63 families reported that they received a complete set of kitchen utensils, and two included jars in their gift lists. After checking the result of this survey with some informants, however, many admitted that they did not include these kitchen utensils in the list because they were obvious items. Nevertheless, there was no basis on which it could be inferred that every newly established family received a set of the kitchen utensils. It was therefore decided to omit the household equipment from the table.

593 Another form of parental gifts was the practice,
427 if the parents had enough land to spare, of letting the
423 couple work on some ten or twenty rai free of charge for the first two years. Rent might be charged after that, but there were also cases in which the couples continue to work on the parcel without paying any rent to their parents and finally took it for granted that the parcels belonged to them.

Economic Significance of the Family

59 Much space has been devoted to discussion of the family because of its significant role as the only organized producing unit in the village economy. Another important function of the family was mentioned in previous sections -- through privileges extended to the majority of newly wed couples during the nascent period, the old family facilitated

7: Janlekha X-4,5 (1948-1953)1956 AO7 Central Thai AO7
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4. The operator may increase his acreage by renting in more rice land. It is highly improbable that the extra parcel would be one adjacent to the old parcels. This involves extra cost of irrigation and drainage and a buffalo shed. Yet the most important problem is how to lay a hand on the extra parcel, since the practice of most landowners is to rent their land out to their former tenants. When all cultivated land in the village has been tilled, an extra parcel to one naturally means a reduction of the same to another.

5. With limited land which has no prospect of intensification as far as rice production is concerned, the size of the family becomes the limiting factor of the level of living. This is rendered more acute by the customary practice of offspring continuing to live with their parents regardless of their age. When they get married, either spouse's parents are likely to suffer another mouth to feed, and in many cases the babies that will eventually arrive.

It is seen, then, that discussion of rice farming which is the core of the village economy cannot be separated from the context of the family.

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434 on a small plot that they own or rent, but all families
463 in this category derive their main income from wages.

3. Trader. Main income from the more or less regular sale, not production, of rather considerable amounts of goods. Perhaps somewhat arbitrarily, we have not included in this category those very few families who derive their main income from production of cookies or the like, even though such families might themselves perform the selling of their products to local consumers; such families are included in the 'home enterpriser' category below.

[426] 4. Investor. Main income from land rent, interest
[427] on loans, and/or speculative gain.

5. Professional. Main income from such specialties as midwifery or dramatic entertainment.

434 6. Public servant. Main income from, or majority of
647 working time spent in, government employment. This is the
463 only category in which we had to add the additional criterion of "majority of working time"; government pay is rather low, and one person who works full time in the employ of the government actually receives more income from other sources.
[875] This category includes regular government officials, teachers
[622] and school janitors. The hamlet headmen are not included, however, as their main incomes are otherwise derived and their remuneration from the government is extremely low. They maintain no daily routine as public servants. The headmen are all farm operators, except one who is an investor.

443 she wanted to spend more time collecting debts."

It should be noted that A's brief duration of peddl-
221 ing started in the harvesting season. During this time the
433 village cash supply was high, resulting in demand for such
434 a delicacy as pork which normally constituted a negligible
443 fraction of the diet of Bangchan people. This is a good
261 business period for the peddlers. Another good business
262 period, although not as good as the harvesting time, is in the transplanting season, when farmers are too busy to procure their own food (by fishing). In this latter period, farmers are not particular about food, and "anything eatable sells, provided liberal credit is allowed" for people have neither time nor money.

443 It should be noted also that many smaller peddlers did not go to Bangkok as did Nang A. The small peddlers, who operated on a very limited working capital, had to sell their eggs to larger peddlers at discounted prices. Our records show that only three or four peddlers took regular trips to Bangkok.

427 Five families were classified as investors in 1953.
434 All these families lived on rents from land, interest on
454 loans, and income from speculative sources such as buying
621 paddy when the price was low and selling it at high prices.
463 Actually, most of these five families were not among large
426 land owners in the village. Their combined land was only 134 rai, averaging only 27 rai per family and ranging from 10 to 76 rai. This is a small acreage in comparison to

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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427 434 454 621 463 426 the combined land of five leading farm operators of 693 rai, averaging 139 rai per operator and ranging from 83 to 235 rai. It must be remembered that our operational definition of occupations was based on the main source of income and that many of the villagers had more than one source of income. Investors as an occupational class in Bangchan should not be pictured as large landlords and large money lenders, possessing financial influences over their tenants and debtors. Rather, they were humble fellow villagers whose incomes were mainly derived from rents of small parcels of land or interest on small loans. To cite an extreme case, one aged woman was classified as an investor. She had only 17 rai which she rented out to her own son. She was living alone in an old shack and was too old to do any kind of work. She received as rent about a hundred tang of paddy a year which is equivalent to an annual income of only 800 baht. Thus she was considered one among the poor in the village.

198 463 621 322 There were three families whose occupations were classified as professional in 1949. The number was reduced to one in 1953. The head of this family was a Chinese carpenter who derived his income primarily from boat building. Again, it must be pointed out that reduction of the number of families primarily engaged in professional services does not mean that professional services had been declining. [385] On the contrary, they had been increasing. There were three barbers in 1953 as against only one in 1949. More traditional

#243 of village production and surplus of paddy (Table 16) there
433 were no comparable basis for our estimate of the other crops.
#121 Our estimates of these other crops should therefore be considered as crude estimates.

433 Tables 16 and 17 show that in 1953 Bangchan had
431 surpluses of 104,756 tang of paddy, 293,232 chicken eggs,
435 and 67,050 duck eggs, and a deficit of 4,945 kilograms of fish. Using the 1953 farm prices of 9 baht per tang of paddy, 0.40 baht per chicken egg, 0.50 baht per duck egg, and 5 baht per kilogram of fish, village exports may be estimated at 942,804 baht for paddy, 146,616 baht for chicken eggs, and 33,525 baht for duck eggs, and village import of fish may be estimated at 24,725 baht.

#243 Land Tenure

311 Table 18 shows that Bangchan residents owned an aggre-
423 gate area of 4,315 rai. Since their combined area planted
427 to rice was 6,722 rai, the balance of 2,407 rai had to be provided by absentee landowners. In fact an area larger than 2,407 rai had to be rented in because part of the area owned by local residents had to be used as homelots. Actually, the net area rented in was 2,438 rai (total area rented in of 3,641 rai minus total area of 1,203 rai rented out). It is not to be expected, however, that this extra area of 31 rai (an excess of 2,438 over 2,407 rai) is enough to accommodate the 298 homelots in the village. Inaccuracies might have arisen in cases of joint ownership of certain

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[TEXT CONTINUED ON PAGE 1311]

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7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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TABLE 18

RICE AREAS WORKED, OWNED, RENTED IN, AND RENTED OUT
Bangchan, Thailand, 1953

Hamlet	Total Families	Total Population	Area In Rai			
			Worked	Owned	Rented In	Rented Out
BC4	40	236	801	849	413	458
BC5	28	136	497	305	261	65
BC6	47	270	1,102	576	531	--
KY5	63	356	1,295	963	834	487
KY6	31	168	850	585	354	95
KY7	42	250	1,016	597	527	108
KY8	47	278	1,161	440	721	--
Total	298	1,694	6,722	4,315	3,641	1,203
Areas per family			22.4	14.5	12.2	4.0
Areas per man			4.0	2.5	2.1	0.7

7: Janlekha X-4.5 (1948-1953)1956 AO7 Central Thai AO7
Bangchan

243 parcels by siblings who failed to include their share in
423 those parcels in the reporting of areas owned. For want
427 of a proper basis for adjustment, we chose to let the figures
128 stand as they were reported.

Table 19 shows that the combined area in rice of all the 216 farms in Bangchan was 6,638 rai, or almost 99 per cent of total area planted to rice by the residents, the balance of 84 rai being worked on by residents whose occupations were those other than farm operating. Of these 216 farms, 48 were classified as all owned, 88 part owned, and 80 all rented.

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The conventional system of classifying farms according to land tenure into all owned (owner-operator), part-owned (part-owner), and all rented (tenant) should not be used without modification as a classification of economic or social status in population pressure areas where an efficient size farm is usually an exception rather than a rule. In these areas, it does not hold, as it seems to imply, that an owner-operator has a superior economic status than a part-owner and that a part-owner is still in a better economic position than a tenant. There is a wide range in size of farm operation and hence of incomes within these categories.

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Within the category of owner-operator, there are major differences in size of operation and hence economic and social status. If a farmer -- to cite a specific case, Farmer A in BC4 -- owns the large area of rice of 235 rai,

[TEXT CONTINUED ON PAGE 133a]

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7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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TABLE 19

DISTRIBUTION OF 216 FARMS ACCORDING TO LAND TENURE, BY CONVENTIONAL CLASSIFICATION
Bangchan, Thailand, 1953

Land Tenure	Number of Farms	Working Area				Average Number of Rai Operated
		Rai Owned	Rai Rented*	Total Rai Operated		
				Actual	Per Cent	
All owned**	48	1,589	--	1,589	23.9	33.1
Part owned	88	1,511	1,583	3,094	46.6	35.2
All rented	80	--	1,955	1,955	29.5	24.4
Total	216	3,100	3,538	6,638	100.0	30.7

* In cases where an operator both rents in and rents out some land, the net area rented in is used.

** Figures include only land owned and operated, land rented out is not included.

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TABLE 20

DISTRIBUTION OF 216 FARMS ACCORDING TO LAND TENURE,
BY SUGGESTED METHOD OF CLASSIFICATION
Bangchan, Thailand, 1953

Land Tenure	Number of Farms	Working Area				Average Number of Rai Operated
		Rai Owned	Rai Rented*	Total Rai Operated		
				Actual	Per Cent	
Landlord-operator	11	517	--	517	7.8	47.0
Owner-operator	79	2,131	513	2,644	39.8	33.5
Part-owner	23	227	325	552	8.3	24.0
Tenant	103	225	2,700	2,925	44.1	28.4
Total	216	3,100	3,538	6,638	100.0	30.7

* In cases where an operator both rents in and rents out some land, the net area rented in is used.

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he may rent out some and retain only the part he can operate well. In this case he chose to operate 65 rai in 1953, renting out the balance of 170 rai. On the other hand, another farmer -- Farmer B, also in BC4 -- who owns only a small parcel of nine rai may not be able to rent in additional land to make an efficient size farm. In this case, B was not able to rent in any land and had to work on only nine rai of his own in 1953. In an area of relatively low population pressure, the probability of failure to rent in some more land may be small, but it is not so small in the relatively high population pressure areas such as Bangchan. The difference between farmers owning a small area of land and a large area is so great from the standpoint of economics and social position as to warrant having two sub-divisions of the conventional "owner-operators".

Small "owner-operators" may increase their size of operation by renting in some more land and thus becoming part-owners. These farmers actually improve their socio-economic status if they are able to move from the group of owner-operators into the group of part-owners. To use another concrete example, Farmer B, mentioned in the preceding paragraph, who worked on the nine-rai parcel of his own, does not earn more farm income than Farmer C, also in BC4, who owned 20 rai and still rented in 30 more rai in order that his four family workers including himself might be fully employed with a 50-rai farm.

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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It is seen, then, that the conventional system of land tenure classification is of very limited usefulness in areas where under-employment of farm labor is the general pattern. In an attempt to increase its usefulness mentioned above, a new classification system for land tenure is suggested in which the "owner-operator" category of the conventional system is sub-divided and arbitrary limits set to partially solve the problem of the third type of confusion.

The emphasis of the suggested method of classification lies in the functional aspect of each category. Thus, operators who own all the farm land they operate and still have some more land to rent out, an indication that they really have more than enough land for their farm operating occupation, are grouped under the landlord-operator category. This group resembles the conventional "owner-operator" in that in both the farmers do not rent in any more land, but differs from the latter in that they are really land saturated farmers while the latter may or may not be land saturated. Generally speaking, therefore, the new landlord-operator group are economically more secure than the conventional owner-operator group.

Operators who own all the farm land they operate but do not have any more land in the village or close neighborhood to rent out are grouped under the owner-operator category. To avoid confusion of the second two adjustments are made: (1) if a farmer owns two-thirds or more of his working area, he is included in this category; and (2) he

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
Bangchan

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427 is also included in the category if he owns 20 rai or more of his working area regardless of how much land he rents in. It may be noticed that the non-renting section of this group resembles the conventional "owner-operator" and the renting section resemble the most affluent section of the conventional "part-owner". Generally speaking, however, the whole group represents farmers who own the majority of their working area, or, in cases of those operating fairly large farms, own at least 20 rai of the working area -- a moderate size which may well place them in the middle third of the conventional "owner-operator" group if they should choose not to rent in any land.[7]

Operators whose working areas are more or less equally split between their own lands and rented lands are grouped under the part-owner category. Arbitrarily and more specifically, these include all operators who own one-third to almost two-thirds of their working areas with the exception of those owning 20 rai or more who are already grouped under the new owner-operator category.

Finally, operators whose working areas are predominantly rented lands are grouped under the tenant category. More specifically and also arbitrarily, these include all operators owning less than one-third of their working areas with the exception of those owning 20 rai or more.

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7. Of a total of 136 operators owning land in Bangchan, there were 66 who owned less than 20 rai (Table 21).

*128 While this "functional" classification of land tenure
423 does not eliminate all of the shortcomings of the conventional
• 427 method which have been accentuated by land scarcity, it evidently helps to bring about a clearer economic picture of the farm. If the primary purpose of land tenure classification is merely to establish a plain typology of the land holding situation for its own sake only, the conventional method might suffice even in farm labor underemployment areas. On the other hand, if we want to probe further into the business aspect of the farm, as we propose to do in Part II of this study, then a more revealing system of classification is perhaps necessary.

*243 It has been mentioned earlier in this section that
423 of 6,722 rai planted to rice by Bangchan residents a total
427 of 4,315 rai was locally owned (Table 18) and that a total
463 area rented in from outside renters was some 2,407 rai.
621 Since the net area rented out by local renters was 1,186 rai (Table 21), the proportion of outside renters to local renters was roughly two to one. Table 21 shows that there were 21 local renters whose main occupations were distributed among landlord-operators, trader, investors, and public servants, and that an average area rented out by each local renter was 56.5 rai.

Table 22 shows a frequency distribution of land owned by operators, and Table 23 shows a frequency distribution of land owned by non-operators.

7: Janlekha X-4,5 (1948-1953)1956 AO7 Central Thai AO7
Bangchan

TABLE 21

NET AREAS RENTED OUT BY VARIOUS OCCUPATIONAL GROUPS
Bangchan, Thailand, 1953

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Occupation	Number	Total Area	Ave. Area	Range
		rai	rai	rai
Landlord-operator	10	683	68.3	5-170
Trader	5	189	37.8	17- 86
Investor	4	149	37.3	17- 76
Public servant	2	165	82.5	5-160
Total	21	1,186*	56.5	5-170

* This figure is slightly less than total area rented out of 1,203 rai in Table 18 because net figures are used here.

Rent of Rice Land

Tables 24 and 25 show different rental methods in 1948 and 1952. Figures in Table 24 were obtained from our records of the sample of 104 farms in operation in 1948, and figures in Table 25 were obtained from the same sample reduced in 1952 to 96 farms which had been continuously in operation until then, the other eight farms having ceased to operate by 1952.[8]

It is seen that with the exception of a single case of share-cropping there were two rental methods in 1948, in kind and in cash, the proportion of areas involved being fifteen rai of rent in kind to every rai of cash rent. In 1952 rental methods remained more or less the same, consisting principally of rent in kind and cash rent, the proportion of areas involved being slightly increased to nineteen rai of rent in kind to every rai of cash rent.

There was, however, a rapid rise in rent rates within this period of four years. It is seen that the average rate of 6.2 tang per rai in 1948 has risen to 8.1 tang per rai in 1952, an increase of 31 per cent in four years.

It is interesting to note that an increased rent rate was charged in spite of the decline in yield of 32.1 tang per rai in 1948 to 25.2 tang per rai in 1952, or from the record crop index of 111.4 in 1948 to 87.5 in 1952 (Table 14).

Another equally interesting point is that the increase in rent rate was charged in spite of the increases in the

8. See Chapter IV of the sampling technique.

[TEXT CONTINUED ON PAGE 143]

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7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
Bangchan

TABLE 25

DIFFERENT RENTAL METHODS
Bangchan, Thailand, 1952

Rate Per Rai	Rate in Tang Equivalent	Number of Parcels Reported	Total Area	Total Rent*
			rai	baht
Kind				
6 tang	6.0	5	75	4,050.00
7 tang	7.0	16	353.50	22,270.50
8 tang	8.0	39	876	63,072.00
9 tang	9.0	3	39	3,159.00
10 tang	10.0	6	113	10,170.00
Cash				
40 baht	4.4	1	46	1,840.00
50 baht	5.6	3	15.50	775.00
70 baht	7.8	1	16	1,120.00
Free	--	4	(84)	--
Total	--	78	1,534	106,456.50
Average	8.1	-	1	72.66

* The price of 9 baht per tang was used. It should be noted, however, that while the farm price of 7.06 baht per tang used in Table 24 was a result of a day by day record of actual sales during the first selling period (December-March) comprising about two-thirds of marketable paddy of 104 operators studied in 1948-49, this price of 9 baht per tang was not as systematically arrived at because we could not afford as much time in the 1952-53 study. This 9 baht was simply a rounded modal price during the first selling period of the 1952-53 rice year (December 1952-March 1953).

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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178 other items of cost of producing paddy -- in other words,
• 427 in spite of a decline in profit (a great decline when a
434 reduced yield is also considered). In the preliminary study
435 in 1948-49, it was found that the average cost of producing a tang of paddy was 5.86 baht, all costs included except value of operators' labor.[9] When the value of the operators' labor of 1,000 baht for those operating ten rai or over and of 500 baht for those operating less than ten rai was included in the calculation, the cost of production was found to be 6.76 baht per tang, including 1.52 baht for rent, 3.46 baht for labor (values of operators' labor and family labor included), 0.38 baht for seeds and materials, 0.65 baht for depreciation, and 0.75 baht for interest on investment. As we shall see in the section on cost of producing paddy in Chapter VI, an estimate of cost using the 1952 prices, for time and opportunity did not permit a second cost of production study during our second period of field work in 1952-53, points toward an increase in every item of the cost of producing paddy in Bangchan.

An explanation for this abrupt rise in rental of rice land in Bangchan lies in the nature of the demand for and supply of rice land. Although rents may be surpluses

*[128]

9. Sharp et al, op. cit., p. 171. In this preliminary study, the cost of family labor was imputed (at going wage rate) from labor requirement based on acreage, the cost of the use of the operator's own land was imputed from going rent rate, and the depreciation cost was calculated by dividing the original cost of equipment by their respective expected length of service.

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
Bangchan

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178 from certain points of view, or for certain purposes, or
• 427 subject to certain interpretations, they are to the indi-
434 vidual producer no different from any other money expense.
435 They do not arise as a surplus from his own operations;
they are a cost rigidly imposed upon him by the competition
of his rivals for the use of the rent-yielding property.
They figure in the same way as do wages of labor and the
interest of capital in his computations as to the most ad-
vantageous proportion between the factors and as to the most
*[128] advantageous scale of operations.[10] Naturally, we are now
dealing with contractual rent, which is the actual sum paid
by the tenant to the landlord for the use of the land, not
the hypothetical economic rent of the classical economists.

*243 The preliminary study revealed that there was in
464 1948 under-employment on some Bangchan farms in terms of
rai worked per worker. This was shown by comparing the
number of rai worked per worker on 94 farms employing no
hired laborer with the number of rai worked per worker on
*[128] 10 farms employing one or more hired laborers. On the farms
where only family labor was used, the figure was 9.4 ad-
justed rai per worker; while on those farms which used
regularly hired laborers along with family labor, the figure
was 13.4 adjusted rai per worker. (Each rai of transplanted
rice was counted as one adjusted rai, while each rai planted
by the less-labor-requiring broadcast method was counted as
one-half of an adjusted rai.) An assumption was made that

10. Edward Chamberlin, The Theory of Monopolistic Competition (sixth edition; Cambridge: Harvard University Press, 1950), p. 22.

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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*243 As long as farm under-employment prevails and as
434 long as limited opportunity for an alternative occupation
464 is open to farm operators and farm laborers, we have reason
to believe that the demand for rice land is rather inelastic.
Another important factor contributing to this belief is the
operator's concept of cost of producing paddy which seemed
to include only explicit rent (actual amount paid to the
[435] landlord) and cash operating expenses. Thus, while our
calculation shows that the cost was 6.76 baht per tang or
215 baht per rai in 1948, the figure would be only 1.71
baht per tang or about 55 baht per rai according to the
operator's concept of the cost.

*243 Under the conditions of farm under-employment, a
• 427 tenant, part-owner, or even owner-operator is willing to
464 pay high rent for an additional parcel because a larger
178 worked area would cost him only the additional explicit
435 rent and a small increase in seeds and materials. Unless
the extra rented parcel is so large that extra labor must
be sought outside the family, he does not have to pay any
explicit wage at all for rice production in this additional
parcel. Landlord-operators, on the other hand, are under a
different situation, for they may rightly be considered land
saturated and fully employed. Hence, the individual demand
for working land on the part of a landlord-operator is
relatively more elastic than those of the other farm oper-
*243 ators. As rent rose from 6.2 tang per rai in 1948 to 8.1
427 tang per rai in 1952, it was observed in Table 26 below that
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[TEXT CONTINUED ON PAGE 148]

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TABLE 26

RELATIVE SENSITIVITY TO CHANGE IN RENT RATES OF LANDLORD-OPERATORS AND OTHER GROUPS

Category	Area Operated					Decrease, 1948-52	
	1948	1949	1950	1951	1952	Actual	Per Cent
	rai	rai	rai	rai	rai	rai	
Landlord-operator							
Farmer A	110	100	80	70	65	45	41
Farmer B	80	80	50	8	8	72	90
Farmer C	75	75	75	75	75	0	0
Farmer D	65	70	60	70	60	5	8
Farmer E	47	47	47	47	47	0	0
Farmer F	26	26	26	5	5	21	80
Farmer G	24	0	0	0	0	24	100
Sub-total	427	398	338	275	260	167	39
Other groups of farm operators	2,981	2,732	2,764	2,764	2,786	195	7
All 104* operators	3,408	3,130	3,102	3,039	3,046	362	11

* The sample consists of 104 operators in 1948, 103 in 1949, 98 in 1950, 96 in 1951, and 96 in 1952.

landlord-operators were more sensitive to the change in rent rates than were the other groups of farm operators.

Limited opportunity for an alternative occupation was mentioned in the preceding paragraph as one of the factors contributing to the inelastic nature of demand for working land. It was also mentioned in the section on the occupational structure of Bangchan that farm laboring families as existing in the village were indigenous and were an outgrowth of competition for land coupled with the reluctance to emigrate on the part of those who failed to rent in any land. Limited opportunity for an alternative occupation in the village was also suggested in the same section when it was mentioned that the only possible alternative -- petty trading which was actually taken up by some former farm operators -- was limited by the fact that villagers bypassed local traders and went to the nearby market town of Minburi for major purchases and variety goods.

Limited opportunity for an alternative occupation outside the village, however, needs elaboration. It cannot be denied that wages in Bangkok, only twenty miles away and easily accessible through good road and bus services, were higher on the average than corresponding returns for labor in the village. It is important to note, however, that what will attract a villager to seek a job in Bangkok is not a higher average wage level in the city but a higher marginal wage there. Regarding the marginal wage, it is highly doubtful that a better condition exists in Bangkok.

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369 It should be noted also that once a villager has moved
167 into Bangkok he will be deprived of the privilege to
162 acquire free food from nature -- an important economic advantage of living in the village which counts heavily when emigration to the city is being seriously contemplated.

427 It is seen, then, that the demand for land on the
423 part of land-thirsty operators -- the tenants, part-owners, and owner-operators -- was high and inelastic, while the demand for land on the part of land-saturated landlord-operators was low and elastic. Since the combined demand of all landlord-operators constituted only a small fraction of the total demand (Table 20), it may be safely concluded that the aggregate demand for land in Bangchan at the period we are dealing with was high and inelastic.

311 Let us now consider the supply side of land. For
423 the purpose of this discussion we may differentiate four
427 sources of supply of a total of 6,722 rai considered to
463 represent our natural Bangchan area. They are:

1. Land-thirsty operators -- all for implicit rent.
   a, Owner-operators 2,131 rai
   b, Part-owners 227 rai
   c, Tenants 225 rai
   Sub-total 2,583 rai

2. Land-saturated operators (landlord-operators).
   a, For implicit rent 517 rai
   b, For explicit rent 683 rai
   Sub-total 1,220 rai

3. Local non-operators -- all for explicit rent.
   a, Traders 189 rai
   b, Investors 149 rai
   c, Public servants 165 rai
   Sub-total 503 rai

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4. Non-indigenous landlords 2,416 rai (all for explicit rent).

To understand the working of the supply forces, it is necessary to break the non-indigenous landlords down into those living in the neighborhood of Bangchan, which we shall henceforth call the neighboring landlords, and those living far away, which we shall call the absentee landlords. It is regrettable that accurate figures for these breakdowns were not available, but it may be estimated on the basis of some known cases that they were roughly of the same proportion, that is, some 1,208 rai in this category were owned by neighboring landlords and the same amount by absentee landlords. On the basis of the same known cases, it may be generalized that the area of land owned by an average absentee landlord was larger than that owned by an average neighboring landlord.

It is obvious that the individual supply of land varies according to the type of the people who have command over it. Generally speaking, land-thirsty operators who supply part of their own working areas should provide an inelastic supply of land, for they will continue to offer to themselves all the land they own regardless of how the rent rate may change. All lands owned by land-thirsty operators yield only implicit rents, for if they are rented out for explicit rents, the landowners of the parcles in question would have changed their status to landlord-operators.

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TABLE 24

DIFFERENT RENTAL METHODS
Bangchan, Thailand, 1948*

Rate Per Rai	Rate in Tang Equivalent	Number of Parcels Reported	Total Area	Total Rent**
Kind			rai	baht
3 tang	3.0	1	11	259.38
5 tang	5.0	29	623.75	24,513.53
5 1/2 tang	5.5	1	15	648.45
6 tang	6.0	22	390	18,392.40
7 tang	7.0	15	313.50	17,248.77
8 tang	8.0	28	495.50	31,157.04
Cash				
12.50 baht	1.6	1	8	100.00
30.00 baht	3.8	6	91.50	2,745.00
41.38 baht	5.3	1	14.50	600.00
50.00 baht	6.4	1	6	300.00
Share				
50% of crop	--	1	10	--
Unspecified	--	1	20	--
Total	--	105	1,998.75	95,964.57
Average	6.2	--	1	48.89

* From the preliminary study of Bangchan, page 149.
** The 1949 farm price of 7.86 baht per tang was used.
-- Not available.

427 Inelasticity of supply for land among land-thirsty operators also varies with different sub-group (tenant, part-owner, or owner-operator) depending upon the degree of land thirst. Thus, supply for land among the tenants would be more inelastic than that of part-owners, and supply for land of part-owners would be more inelastic than that of owner-operators.

427 434 Landlord-operators, on the other hand, are sensitive to changes in rent rates which directly affect their incomes part of which are derived from rents. Although they will have to offer all of their lands either to themselves or to others, the proportions offered vary according to rent rates. If rent is low, they may increase their own working areas for the reason that incomes deriving from farm operation may be higher than prospective incomes from renting out the same parcels. If rent is high, they may reduce their own working areas since they may figure out that incomes from renting out those parcels are higher than the prospective incomes deriving from working on them. It is due to this capacity to adjust the proportion of working area and area rented out that landlord-operators' bidding power may be considered very strong. Other local landlords who are non-operators do not have this same capacity to increase or decrease areas offered for explicit rent. If rent is too low and they want to operate their lands instead of renting them out, they are still not as ready to do as the landlord-operators who already have the facilities for farming. The

427 neighboring landlords are under the same situation as the
434 non-operator landlords. Yet these two groups are in a better position than the absentee landlords, for they are already in the locality. They are used to farming, and at least they do not have to invest on housing if they should choose to operate their own lands instead of renting them out at low rent.

427 [435] It was observed in the preliminary study that rent rates charged by local landlords were higher than those charged by the absentee landlords, the former ranging from six to eight tang per rai while the latter was only five tang per rai.[13] The discrepancy was assigned to the fact that local landlords were in a better position to sense the competition for land among farmers desirous of obtaining more land than were landlords who lived in the city. Local landlords were thus quicker to adjust rent rates to their own benefit.

Another advantage of renting land from absentee landlords was pointed out by a Bangchan tenant who said that he preferred absentee landlords to local landlords. "If you don't want to pay too much rent," said he, " you may report to the absentee landlord that you got a poor crop even though it was the best crop you ever had. You cannot do so with a local landlord, for he knows as well as we know by a glance at the parcel how many tang of paddy we are going to get." "Besides," the man continued, "local landlords often make request after request for your free

13. Sharp et al., op. cit., p. 148.

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427 labor which is rather difficult to decline. There are many occasions for such request, for example, draining a pond, clearing a garden, and building and dismantling a house."

So far the arguments seem to point toward the relative leniency of absentee landlords. Condemnations of absentee ownership of land would seem, therefore, to fall
427 wide of the mark from an equity standpoint. There is still
434 another important point, however, that should be considered. Although we do not at present have accurate supporting data, our impression was that rents of rice land do not constitute a significant part of absentee landlords' income while they were a major consideration of the local landlords. If this impression is true, two diametrically opposite ramifications seem to follow. First, absentee landlords accept rents as they come to them and the rents tend to be lower than those accrued to local landlords' land. Second, since some absentee landlords can afford to offer their land at high rent at the risk of having no tenant to work on their land, the rents charged by these absentee landlords tend to be high. In this latter case, high rent rates on absentee landlords' land will induce a raise in the general rent rates in the village. We are now confronted with a rather difficult situation, for the actual outcome seems to depend entirely on the individual compunction of the absentee landlords.

427 Stories about both kindness and maliciousness of absentee landlords were heard in the village. On the one hand, they were looked up to as the people whose help can

427 be relied upon in time of financial crises or other sudden needs. On the other, they were pictured as a Shylock type of relentless money lenders who never let an opportunity to make a capital gain out of the villagers slip away. Our records show several cases where Bangchan tenants took the sick first to allandlord's home in Bangkok before sending him to the hospital. It was assumed that the landlord would provide food and medical care while the patient was waiting to be admitted into the hospital, and it was assumed also that the hospital bills would be paid by advances from the
427 landlord. Only one case of an unscrupulous absentee land-
556 lord was mentioned by Bangchan residents. This man is a nationalized Chinese who roamed around Bangchan some thirty years ago as a professional gambler. He enhanced his gains from gambling by lending money at high interest rates to the villagers on mortgage term and occasionally adding a zero to the amounts in the paper. Villagers said the he never hesitated to make good a foreclosure when the specified time expired, and as a result he is now in possession of about one thousand rai of land in the neighborhood of the Upper Bangchan Canal. Although he owns some land in our arbitrary Bangchan Village, the majority is out of our village limits, and thus the rent rate charged by him was not included in our rental investigation in the preliminary study. The villagers' account of this man's activities was confirmed by our Bangkok source of information who was a relative of the landlord. Surprisingly enough, it was the

427 author's father who gave this man an initial capital of 600
556 baht when he made his start in Bangchan some thirty years ago. He is now a millionaire and a father-in-law of a former top military officer.

427 Again it is the author's impression that, from the viewpoint of the villagers' best interests, the good side of absentee landism seems to outweigh the bad side.

427 Going back to the forces of demand for and supply of
434 rice land, it should be noticed that, as was so often the
435 case, free competition in the classical economist's sense did not exist in Bangchan where rents were often sticky. There was a wide range of different rent rates for fields of almost homogeneous nature as far as agronomic properties were concerned. Preference for prospective tenants was observed to have a personal rather than economic basis even on the part of the local landlords who were found to be most sensitive to rent rates. When a new higher rent rate was to be charged, it was observed that the most plausible excuse had to be found and presented to the tenants by the landlord. An example was the general raise of rent in 1953 when the new land tax was raised from 0.30 to 4.00 baht per rai, whereupon most local landlords immediately raised their rent from seven tang to eight tang per rai. One tang of
[651] paddy, however, was worth nine baht. It is seen, thus, that as a result of an increase of the government revenue of 3.70 baht per rai the local landlords also received an extra 5.30 baht per rai from their tenants who alone had to suffer an increase cost of nine baht per rai.

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In discussing the forces of demand for and supply of land in the few preceding pages, it is not the purpose of the author to quantify these forces and attempt to predict rent or the price paid by the tenant for the control of net income deriving from the use of the productive powers of the soil. Rather, the purpose is to confirm in this specific case Chamberlin's general notion that "the equilibrium of economic forces has been wrongly identified with an equilibrium between demand and supply. The latter is merely a special case of the former. Curves of demand and supply tell nothing, either by themselves or by their intersection, as to what price will be established, until other conditions are known."[14]

Prices of Land

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One of the most significant phenomena during the period covered by this study, from 1948 to 1953, is the rise of prices of land in Bangchan.

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Records of major receipts and expenses of 96 farm operators who have been continuously working on an average area of 3,140 rai, or 47 per cent of the total area worked by Bangchan residents, show that during this six-year period two operators sold two parcels of land and ten operators bought eleven parcels of land. Since none of these involved transaction between one and the other in our sample of 96 operators, it can be said that there was a total of thirteen

14. Chamberlin, op. cit., p. 15.

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423 cur informants, the insurance company owned hundreds of
435 rai of land in the vicinity. By spending only 20,000 baht
456 in boosting up land prices, the company thus set the stage
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369 for making a large profit through sale of their own land at inflated prices.

178 While the increase in land prices in Zone 1 was
429 attributable to the sudden assumption of residential land
435 prices, this explanation does not apply to the increases in land prices in the other zones which have remained agricultural throughout. Although less spectacular than the case of Zone 1, the rise in land prices in these six zones was also quite abrupt, averaging 560 per cent for the five-year period from 1948 to 1953 (Table 28).

429 Capitalized valuation of these farm lands (Zones
434 2-7) may shed some light on the situation, although there
427 is limitation especially to the cost concept. There are two ways by which a capitalized value of farm lands may be obtained: (1) by capitalizing income from the farm operation left after payment of all factor costs except land, and (2) by capitalizing income deriving from explicit rent of the land.

243 Receipt from one rai of rice land in 1948 may be cal-
435 culated from the crop of 32.1 tang at 252 baht, using that
434 year's average farm price of 7.86 baht per tang of paddy.
423 When the cost, including an imputed return to all labor but
427 excluding rent, of 166 baht per rai is deducted, a residual return to land of 86 baht per rai is obtained for the year.[15]

15. For want of sufficient data, it is assumed that the cost items other than rent remain the same.

243 In 1953, figure for the size of the crop was not
423 available, but we may use the 1948-52 average of 28.8 tang
434 per rai. With the year's farm price of 9.00 baht per tang,
435 receipt may be calculated at 259 baht per rai. Using the
427 same cost, again excluding rent, of 166 baht as in 1948, a residual return to land may be estimated at 93 baht per rai.

Capitalized value of land may be calculated from the formula $v = \frac{a}{r}$ where 'v' stands for capitalized value of land, 'a' for income from the land, 'r' for the rate of interest prevailing in the locality.[16]

When the calculated residual return to land is used, the capitalized value of farm land in Bangchan (Zones 2-7) is found to be 573 baht per rai in 1948, and 620 baht per rai in 1953. When income deriving from explicit rent is used in the calculation, however, the capitalized values become 327 baht per rai in 1948 and 487 baht per rai in 1953.

178 It is interesting to note that capitalized values of
423 land computed from these two different types of income were
434 closer to each other in 1953 (487 baht computed from income
427 deriving from explicit rent as against 620 baht computed
435 from the calculated residual return to land) than in 1948 (327 baht computed from income deriving from explicit rent as against 573 baht computed from the calculated residual return to land). In other words, landlords are now receiving a larger proportion of the residual after payment of all

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[426] 16. The rate of interest of 15 per cent per year is used. This is the minimum going rate with security. Without security, the rate may be as high as 30 to 50 per cent per year.

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178 423 434 427 435 factors, except land, at the going rate of return. A more interesting point to note is that the capitalized value of land in 1948 (327-573 baht per rai) was substantially higher by either method of calculation that the average price of farm land in that same year (240 baht per rai), while the capitalized value of land in 1953 by either method of calculation (487-620 baht per rai) was far below the average price of farm land in that same year (1,583 baht per rai).

The situation in 1953 indicates that the price of farm land in Bangchan has been bid up too high. The stickiness of rent rates in the locality mentioned earlier together with the fact that landlords are now receiving a larger proportion of the residual after payment of all factors, except land, at the going rate of return have led us to the belief that the proportionate share of the landlords will be increasing in the near future.

*243 16 178 463 Of the 48 families disappearing from the 1953 list of farm operators in the village, 21 moved out, 2 were annexed, and 25 were dropped from the list because they had changed their occupations to some other kinds. Among these last mentioned, four had become investors, three traders, thirteen laborers, one public servant, and four had obscure occupations.

Of the 35 new farm operating families, 17 were immigrants moving into the village during the period between 1949 and 1953, 14 had evolved from pre-existing families, and four were families already existing in the village in 1949 but were then having some occupations other than farm operating. Among the four families last mentioned, three were formerly farm laboring families, and one was formerly an investor family.

*243 178 463 The fact that there were as many as twenty-five families leaving farm operating occupation as against only four families entering it within the same period seemed to indicate that farm operation as an occupation had become less attractive in Bangchan during recent years.

It may be argued that former farm operators who had given up farming did so because of the force of special circumstances beyond their control, and that the change to other occupations was not due to the relative unattractiveness of farm operation. A tenant operator, for example, might have to leave the farm because his landlord no longer wanted him to work on the parcel. In fact one such case was

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243 reported where the tenant had to leave the farm in the
178 beginning of 1953 and had since become a hired laborer.
463 This was Laborer 12 shown in Table 34. In most cases of
[427] farm operators who had become farm laborers, however, they were marginal operators working on areas too small to provide decent incomes. It was found that the total working area in 1948 of thirteen farm operators who had become farm laborers was 94 rai, averaging only 7 rai per farm. It is possible to speculate, then, that low farm income was a major factor in the occupational shift among these thirteen families. To the extent that this speculation is acceptable, it may be inferred that the shift to the farm laboring profession among these thirteen cases was voluntary rather than a result of special circumstances beyond their control.

The relative unattractiveness of farm operation stands out clearly when the cases where former farm operators taking up new occupations other than farm laboring were considered. As mentioned earlier, there were twelve of these of which four had become investors, three traders, one a public servant, and four had obscure occupations. Among those having obscure occupations, two were families of old people apparently without any income, one family head was allegedly engaged in no occupation except gambling if this could be considered an occupation at all, and one family head -- the sole member of a one-man household -- was also a person of no known occupation. For obvious reason, these four cases should be left out of consideration, leaving only those who had

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*243 433 water conditions is also a major factor militating against investment on fertilizer. As it happens, therefore, fertilization does not prevail in the decision making of Bangchan operators.

If the operator has any positive role at all in the production plan, it is in the selection of rice varieties. This topic has already been dealt with in the section on labor adjustment devices of the preceding chapter.

*243 433 423 Finally, one of the most important organizational decisions involves the choice of the size of the farm. It has been observed that poverty in agriculture is as much a problem of farm size as of any other single factor. Most frequently, farm size is spoken of in terms of acres -- the land input. Although this measure is generally not sufficient, it serves the purpose quite well in single-crop farming areas such as Bangchan and all other rice areas in this country. In this study, therefore, farm size will be expressed in rai (two-fifths of an acre) devoted to rice.

Generally speaking, if the Bangchan operator is free [464 592] to choose the farm size that suits him best, his decision will be based almost entirely on the size of labor force under his command, which in turn depends largely on the size of his family labor. As it happens, most operators are not *243 free to do so. It was mentioned in the section on land tenure • 427 of Chapter III that it was only the landlord-operator group, 464 actually 11 out of a total of 216 farm operators in Bangchan, 423 that had demonstratively shown sign of land saturation and

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thus could freely choose the proper size of their farms.

To be sure, some of the other 205 operators in the land scarce group could rent in enough additional parcels to make an efficient-sized farm. The preliminary study in 1948-49, however, reveals that of 104 farms under study 87 were under-sized. The point we want to make in this section is that there are considerations other than economic interest which preclude the attainment of a most favorable farm size by some of these land scarce operators. In the study of labor utilization on Chom Farm, it was seen that preparation of the fields was finished long before the deadline, indicating that the land input could be increased or labor input could be decreased. If Chom wanted to rent in an additional parcel of five rai, the problem presented would not be simple. In the first place, all rice land in the village had been filled up, so Chom's additional parcel had to be one that had been operated by a neighbor of his. Unless this neighbor had expressed an intention to quit this parcel, conscience alone would prevent Chom from outbidding the other person for the parcel. Second, although lease of land was on a one-year basis, in practice the landlord usually rented his lands continuously to the same tenants. If the landlord wanted to operate a certain parcel himself, the former tenant might think that it was reasonable enough to abandon the parcel. But it was inconceivable that he should leave the parcel so that another tenant could operate it. Third, the additional parcel should not be too far away

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A 243 423 464 • 427 from the homelot because much time and energy would be wasted in daily walking to the field.

It would seem, then, that most rice farm operators had little opportunity to obtain a farm size they thought best and had to accept what was due them. Thus, their role in choosing the size of business, which is the most important role, is also limited.

A 243 221 431 2. Limited role in management: Inasmuch as management refers to the function of putting the scheme into operation, Bangchan operators certainly have a large part to play. A good rice crop depends largely on the relationship between the height of the young plant and the rising water level. Since the rise of water level is highly seasonal, depending on local rains as well as rains elsewhere that affect the general water level, scheduling the farm work and seeing to it that the schedule is followed becomes a most important function of the farm operator.

A 243 433 Management, however, refers also to the function of making those adjustments in the business which are necessary in order to obtain the maximum economic returns from the farm business as a whole. Inasmuch as this latter function is concerned, the operator's role has been limited as in the case of the organizational function. As previously stated, under the present stage of technological development in rice production in this country, not only the points of diminishing return of both labor and capital (farm equipment, at the present state of technical development in the village)

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*243 433 [427] 1. Land: This element represents 22 per cent of the total cost of producing paddy (Table 38). Of this, 15 per cent is actual payment for explicit rent while 9 per cent is assessed value of implicit rent.

Among the cost items in Table 38, cash expenses include actual rent (13%), wages for pieceworkers (3%), wages for hired laborers (3%) and seeds and materials (6%), while imputed expenses include implicit rent (9%), value of family labor (31%), value of the operator's labor (13%), depreciation (10%) and interest on investment (11%). It is seen that cash expenses comprise only 25 per cent, while imputed expenses comprise as high as 75 per cent of the total cost.

In view of the high proportion of imputed expenses, the method adopted in the imputation will be explained here.

[427] [435] 1. Rent: Going rate for 1948-49 of 6.2 tang (49 baht) per rai was used.

[592] [461] 2. Value of family labor: Labor requirement based on acreage was first calculated, using the standard factor of 13.4 adjusted rai to one fully employed worker (this was the 1949 average for farms with regularly hired laborers on which [435] workers were assumed to be fully employed). When the labor requirement in terms of number of fully employed laborers needed was known, imputed family labor cost was calculated at the going wage rate for the year of 1,600 baht (1,000 baht cash and 600 baht of food privilege).

3. Value of the operator's labor: In addition to

[TEXT CONTINUED ON PAGE 280]

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*243 433 It is often said that the underdeveloped areas are characterized by over-population and under-capitalization. While there is much truth in this, there is also a danger of oversimplification. Capital here includes a relatively small physical in put, but it is actually large in terms of cost per unit.

4. Management: We did not assign any value to the operator's managerial work; only the assessed value of his labor -- 1,000 baht annually, or 500 baht annually if he operated only 10 rai or less -- was included in the item of assessed value of family labor.

The role of management has already been discussed in the previous section of this chapter.

It has been observed that management is furnished by the Bangchan operator and his wife, and in some cases *243 their grown-up sons and daughters. Not a single case has 423 been known where the management on rented farm is shared 427 with the landlord or his agent. It is interesting to note that the absence of the landlord's part in management was exhibited in an environment that should normally create and regenerate his influence over the tenant -- the condition of land scarcity, the Thai respect for one's betters, and the ease in communication between the landlord and the tenant.

Actually, the absence of the landlord's part in management does not necessarily mean that he has no influence over his tenants. On the contrary, landlords in Thailand

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243 are as influential as most landlords in other countries.
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427 It is the limited role of organization and management, which has already been discussed, that has precluded their advisory contributions.

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It is seen that some of these measure farm business success more nearly, and some of them the success of the farm-family enterprise.

434 *128 To measure Bangchan operators' remuneration, the author thinks that operator's labor earnings is most suitable.and the next best measure is perhaps the labor income. It was mentioned that Professor Hunt devised labor income as a means of comparing the efficiency of management of individual farms in the same area, practicing about the same kind of farming, and with the same general level of land values and cash rentals. Bangchan conditions, as earlier described, seem to approximate circumstances which Professor Hunt had in mind when he devised this measure.

*243 434 *[128] Table 47 shows frequency distribution of labor income of the 104 sample-farms for the 1948-49 crop year. It is seen that only 57 of these 104 farms produced a positive labor income. Thus, even in the year which many Bangchan farmers considered to be the best rice year in their lives, more than four out of every ten farmers in the sample did not have anything left from the sale of their crop after deducting all farm business expenses and interest on the capital invested. It should be noted, however, that the family still has other incomes accruing to family labor (value of family labor), the use of family owned land (imputed rent), and the use of family owned equipment (interest), as well as the imputed returns to family labor deducted in the calculation of labor income. The family also has the subsistence production which it draws from the farm.

• [427]

*243 Of 47 farms which had negative labor incomes, 37
434 were in the class interval of from -1 to -2,000 baht, 9
[435] from -2,001 to -4,000 baht, and one -- the least efficient as far as this measurement is concerned -- produced as low a labor income as -8,006 baht. This last farm had to support a large family of eleven members. With an acreage of 40 rai, which was rather small relative to the size of the family (another family of ten was operating a 110-rai farm in that same year), it was natural that this farm did not have much rice to sell.

*243 In figuring farm expenses, we intentionally left
434 out the dwelling and included as farm buildings only the
342 ones that housed the buffaloes, farm equipment and materials.
[427] The main reason for this omission was that there was a wide
[435] range of dwelling facilities in Bangchan -- from a teak building valued at 30,000 baht to a dirt floor thatched shack valued at no more than a few hundred baht. Besides, rental for a dwelling in rural areas of the country is practically unknown. Since a family living in the village must have their own dwelling regardless of their occupation, it was considered in this study that dwellings should be separated from farm investment. This consideration was further substantiated by the fact that when a family gives up farming they continue to live in the dwelling while all the farm equipment may be sold.

*243 When the charge for dwelling is dispensed with for
434 the reasons given above, the only difference between labor
433

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
Bangchan

*243 426 432 Differentiation in paddy prices is limited to cases where farmers have received in advance the payment for paddy to be delivered at harvesting time. This is a common practice which is called in Thai "tog khao" (lit., fall rice). Usually, the advance price received by the farmer is about half or not more than three-fifths of what he would normally receive. Considering that cash is usually received about a month or two before the delivery of the paddy, it would seem that tog khao is a kind of loan with as high a rate of interest as from 25 to 50 per cent per month.

*243 426 465 A similar practice is adopted with respect to advanced payment for piecework, where pieceworkers are committed to uproot, transplant, or harvest at about half of the prevailing rates. This is called tog raeng (lit., fall labor).

*243 128 427 Tables 24 and 25, in the section on land tenure of Chapter III, show a wide range of rental rates of rice lands which have not demonstrated any marked difference in crop producing ability.

Rates of interest in Bangchan vary greatly from 0 to 10 per cent per month. This topic will be discussed more fully in later sections of this chapter.

*243 434 556 The important point that should be observed in connection with these differentials in paddy prices, rates of interest, rentals, and wage is that it is the less affluent farmers who usually bear the burden of higher costs due to these practices. Thus, these differentiations serve only to widen the gap between poor and well-to-do farmers.